



CANNON BUILDING
861 SILVER LAKE BLVD., SUITE 203
DOVER, DELAWARE 19904-2467

STATE OF DELAWARE
DEPARTMENT OF STATE
DIVISION OF PROFESSIONAL REGULATION

TELEPHONE: (302) 744-4500
FAX: (302) 739-2711
WEBSITE: WWW.DPR.DELAWARE.GOV

MEETING MINUTES:	BOARD OF CHARITABLE GAMING
MEETING DATE AND TIME:	Thursday, September 5, 2013 at 1:00 p.m.
PLACE:	861 Silver Lake Boulevard, Dover, Delaware Conference Room C , second floor of the Cannon Building
APPROVED:	October 3, 2013

MEMBERS PRESENT

Janet Williams-Coger, Non-Profit Member, Vice Chair
Tim Winstead, State Lottery Office Member
Francis Gant, DE Volunteer Fireman's Association Member

MEMBERS ABSENT

Scott Angelucci, Public Member, Chairman
Sharon McDowell, Public Member

DIVISION STAFF/DEPUTY ATTORNEY GENERAL PRESENT

Robert Willard, Deputy Attorney General
Amanda McAtee, Administrative Specialist II
Jean Betley, Lead Investigator
Lucinda M. Reeder, Court Reporter, Wilcox & Fetzer

PUBLIC PRESENT

Michael Gabriel, Association for Human Rights Defense International
Charles Brown, Esq.
Jack Vogel, Harrington Fire Company

CALL TO ORDER

Ms. Williams-Coger called the meeting to order at 1:00 p.m.

HEARING MINUTES

HEARING – Association for Human Rights Defense International

The Delaware Board of Charitable Gaming held a hearing on September 5, 2013, at 1:00 p.m. in the Second Floor Conference Room B, Cannon Building, 861 Silver Lake Blvd., Suite 203, Dover, Delaware.

PRESENT: Janet Williams-Coger, Francis Gant, Tim Winstead

PURPOSE: Proposal to Deny Hearing

PRESIDING: Janet Williams-Coger, Non-Profit Member, Vice Chair

BOARD STAFF: Amanda McAtee, Administrative Specialist II

DEPUTY ATTORNEY GENERAL FOR THE BOARD: Robert Willard, Deputy Attorney General

RESPONDENT: Michael Gabriel, Association for Human Rights Defense International

COUNSEL FOR THE RESPONDENT: Charles Brown, Esq.

COURT REPORTER PRESENT: Lucinda M. Reeder, Wilcox & Fetzer

TIME STARTED: 1:00 p.m.

Charles Brown, counsel for the Association for Human Rights Defense International (AHRDI), introduced himself and Michael Gabriel for the Board. Mr. Brown stated that Mr. Gabriel was an attorney licensed to practice in California and Colorado. Mr. Brown and Mr. Gabriel believed that it was an incorrect legal proposition for the Board to deny the application on the basis of statutory authority. If the state allowed for online gaming then the Delaware Constitution had to allow charities to engage in online gaming.

Mr. Gabriel presented the Board with information on the background of the legality of online lotteries and stated that it was established last year for the State of Delaware to conduct online lotteries. Mr. Gabriel added that the Board's statute did not specify which games were allowed. Mr. Gabriel stated that he wanted his charity's online lottery to be State regulated and he would even allow the State to control the online lottery operations. It was Mr. Gabriel's hope that the Board would rule in favor of his organization because so many charities would benefit from the proceeds. Mr. Brown stated that he felt that as a legal proposition, the Board was incorrect and that it would have the authority to permit online gaming due to the enabling legislation in the State Constitution and what the state was already engaged in.

Mr. Willard questioned how the games would be played, how someone would participate, and who could play. Mr. Gabriel responded that they would have a website where users could pick their desired games and that the games could be played worldwide. Players would use a credit card system, which would be a purchased proprietary system, so it would not be a third party system. Mr. Gabriel stated that his charity would not have to touch the money except at the end of the month in order to distribute the funds to charities. Mr. Gabriel informed the Board that they would not allow anyone under the age of 21 to win prizes. Their charity could verify age through credit cards and when it was time to pay out a jackpot they would further verify age, and if the winner was not over 21 they would not pay out the prize.

Mr. Willard pointed out that online gaming was something that was brand new and that Delaware's Constitution stated that all gaming was illegal except for state run lotteries and charitable gaming. The Delaware General Assembly enacted charitable gaming in 1984 and online gaming did not exist in 1984. According to section 1130 of the charitable gaming law, the game would have to be conducted in the State of Delaware; worldwide play would violate this section of the law. In addition, section 1130 required charities to have a designated member in charge of the funds at all times. The Board's current Rules and Regulations would not allow charities to sell raffle tickets on the internet.

Mr. Willard stated that SB 333 was quoted in the application paperwork of the AHRDI. Mr. Willard read through SB 333, and stated that the Delaware lottery would use location services (IP address) to verify that online gaming was done in the State of Delaware. SB 333 was very specific and stated that the Delaware Lottery office would oversee games conducted online by Delaware casinos, charitable organizations were not included in SB 333.

Mr. Willard stated that in the correspondence from the AHRDI, the AHRDI stated that the only reason the Board denied their application was because they did not believe that the lighthouse was located in one of the three counties in Delaware. Mr. Willard and the Board did not understand where this thought came from. Ms. McAtee provided Mr. Willard with the emailed and mailed correspondence that she had sent to the AHRDI. The correspondence stated that the Board had proposed to deny the application because the Board did not have the statutory authority to permit online gaming. There was no mention of the lighthouse location as an issue.

Mr. Willard stated that if a website currently existed that sold lottery tickets online for the State of Delaware that the site was illegal because people must purchase their own lottery tickets. The AHRDI stated in their application paperwork an idea that the State of Delaware had more interest in horse racing. Mr. Willard stated that this was not true and their notion probably came from the 1994 video lottery legislation that passed, which allowed Delaware's three racetracks to operate video lottery machines.

Mr. Brown stated that if the Board had concerns with money handling, under 21 players, and players outside of Delaware that the AHRDI would be happy to address those concerns. Mr. Brown wanted the Board to know that they could put restrictions on how the lottery would be conducted.

Mr. Willard stated that the Delaware General Assembly had not made a ruling that charities could conduct online gaming. SB 333 was passed because the power under the Delaware State Constitution for online gaming was not in place and SB 333 established online lotteries for the Delaware Lottery not for the non-profits of Delaware.

The Board deliberated on the testimony presented. Mr. Gant stated that the Board had several non-profits that were recently stopped from conducting charitable gaming activities over state lines and that the Board had laws, rules, and regulations in place that they were required to follow. Mr. Gant stated that in his opinion the Board did not have the authority to issue online gaming permits.

Ms. Williams-Coger quoted section 1131 of the Board's statute:

§ 1131. Application; eligibility.

(a) Each applicant for a permit or license shall file with the Board a written application in the form prescribed in its rules and regulations, duly executed and notarized, in which shall be stated the name and address of the applicant together with sufficient facts relating to its organization to enable the Board to determine whether or not it is a bona fide organization eligible to conduct games within the meaning of article II, § 17A or § 17B of the state Constitution. The applicant shall supply such other facts as the Board may require.

Ms. Williams-Coger stated that section 1131 clearly stated what the Board should be doing and that the Board would have to follow the statute in place.

Mr. Winstead commended Mr. Gabriel for his work in the restoration of lighthouses. Mr. Winstead stated that he was a state lottery employee and had an extensive background on this issue. Under the current laws and regulations, the Board could not authorize and approve this application.

After deliberating on the testimony presented, Mr. Gant made a motion, seconded by Mr. Winstead, to deny the charitable gaming licensure for the Association for Human Rights Defense International. The motion carried unanimously.

The hearing concluded at 2:08 p.m.

REVIEW AND APPROVAL OF MINUTES

The Board reviewed the meeting minutes of August 1, 2013. Mr. Gant made a motion, seconded by Mr. Winstead, to approve the minutes as presented. The motion carried unanimously.

UNFINISHED BUSINESS

Final Denials

Indian River Yacht Club

Ms. McAtee stated that the Indian River Yacht Club had not requested a hearing since they received their proposal to deny letter. After discussion, Mr. Gant made a motion, seconded by Mr. Winstead, to deny the Instant Bingo application of the Indian River Yacht Club because the organization had a 501c7 designation which did not qualify for charitable gaming events in the State of Delaware. The motion carried unanimously.

Re-Review of Contingent Approvals and PTD Applications - none

NEW BUSINESS

Executive Session – none

Board Member Reports – none

Delegation of Authority – none

Review of Applications for Texas Hold’Em Tournaments – none

Review of Applications for Charitable Gaming Events - none

Review of Applications for Instant Bingo Events

Diamond State VFW Post 2863

Frederica Senior Center

Ms. Williams-Coger reviewed and summarized the Instant Bingo application of the Diamond State VFW Post 2863 and Frederica Senior Center. After discussion, Mr. Winstead made a motion, seconded by Mr. Gant, to approve the Instant Bingo applications of the Diamond State VFW Post 2863 and Frederica Senior Center. The motion carried unanimously.

Review of Applications for Bingo Events

Seaford District Library (first time applicant)

Ms. Williams-Coger reviewed and summarized the Bingo application of the Seaford District Library. After discussion, Mr. Winstead made a motion, seconded by Mr. Gant, to approve the Bingo application of the Seaford District Library. The motion carried unanimously.

Review of Applications for Raffles

Meals on Wheels Delaware

Southern Delaware Therapeutic and Recreational Horseback Riding Inc.

Children and Families First of Delaware

Holy Cross Church

Knights of Columbus, Coffee Run Council #6768

Ronald McDonald House of Delaware

Salesianum School Inc.

United Way of Delaware Inc.

The Nemours Foundation

Ms. Williams-Coger reviewed and summarized the Raffle applications of Meals on Wheels Delaware, Southern Delaware Therapeutic and Recreational Horseback Riding Inc., Children and Families First of Delaware, Holy Cross Church, Knights of Columbus, Coffee Run Council #6768, Ronald McDonald House of Delaware, Salesianum School Inc., United Way of Delaware Inc., and The Nemours Foundation. After discussion, Mr. Winstead made a motion, seconded by Mr. Gant, to approve the Raffle applications. The motion carried unanimously.

Review of Requests to Amend Previously Approved Event – none

Inclement Weather/State of Emergency Requests – none

Ratification of Charitable Gaming Event Permits Issued

Mr. Winstead read aloud the Charitable Gaming ratification list. Ms. Williams-Coger made a motion, seconded by Mr. Gant, to ratify the Charitable Gaming licensure of the Seaford Lions Foundation, Church of the Holy Child, Midway Lions Club, Knights of Columbus Christopher Council #3182, Newark Senior Center, Homeless Cat Helpers, and Friends for Rescue and Pet Care. The motion carried unanimously.

Ratification of Bingo Event Permits Issued

Mr. Gant read aloud the Bingo ratification list. Mr. Winstead made a motion, seconded by Mr. Gant, to ratify the Bingo licensure of the Georgetown Fire Company, Indian River Volunteer Fire Company, Peoples Settlement Association, Delaware Veterans Post II, Bridgeville Fire Company Ladies Auxiliary, Frederica Volunteer Fire Company, Alzheimer's Disease and Related Disorders Association, Oak Orchard Riverdale American Legion Post 28, Bowers Fire Company Ladies Auxiliary, Delaware Pride, Mill Creek Ladies Auxiliary, Milton Fire Department, Nanticoke Senior Center, Nanticoke Memorial Hospital, Howard J. Weston, Seaford Elks Lodge #2458, and Indian River Senior Center. The motion carried unanimously.

Hearings/Consent Agreements – none

Complaint Assignments and Updates - none.

Inspection Reports

Friends for Rescue and Pet Care
Seaford Elks Lodge #2458 01/30/13
Seaford Elks Lodge #2458 07/31/13

Ms. Williams-Coger stated that Friends for Rescue and Pet Care and the Seaford Elks Lodge #2458 were recently inspected. The Seaford Elks Lodge #2458 was inspected on January 30, 2013 and on July 31, 2013. Ms. Betley stated that the January 30, 2013 inspection report for the Seaford Elks Lodge #2458 was supposed to be presented at the March 7, 2013 meeting but she overlooked them. There was no discussion.

Responses to Inspection Letters of Concern/Warning

Newark Senior Center

Ms. Williams-Coger stated that the Board received an inspection response letter from the Newark Senior Center. There was no discussion.

CORRESPONDENCE – none

OTHER BUSINESS BEFORE THE BOARD (FOR DISCUSSION ONLY) – none

PUBLIC COMMENT – none

NEXT MEETING

The next scheduled Board meeting is October 3, 2013 at 1:00 p.m., at 861 Silver Lake Boulevard, Cannon Building Conference Room B, Dover, Delaware.

ADJOURNMENT

There being no further business before the Board, Mr. Winstead made a motion, seconded by Mr. Gant, to adjourn the meeting at 2:18 p.m. The motion carried unanimously.

Respectfully Submitted,



Amanda McAtee
Administrative Specialist II

The notes of this meeting are not intended to be a verbatim record of the topics that were presented or discussed. They are for the use of the Board members and the public in supplementing their personal notes and recall for presentations.